

**Target Market Determination – Home Owners Package Owner Occupier**

<b>Product</b>	<p>A variable rate continuing credit facility secured against the equity in residential property that is used predominantly for owner occupied purposes</p> <p><b>L44 Home Owners Package Home Loan Owner Occupier - secured/variable</b></p>
<b>Issuer</b>	<p>Warwick Credit Union Ltd ABN 98 087 651 116 AFSL/Australian Credit Licence 240556</p>
<b>Date of TMD</b>	<p>5 October 2021</p>
<b>Target Market</b>	<p><b>Description of target market</b></p> <p><b>Home Owners Package Loan Owner Occupiers</b></p> <p>Retail clients who:</p> <ul style="list-style-type: none"> <li>• are seeking a loan to: <ul style="list-style-type: none"> <li>○ purchase or renovate a home;</li> <li>○ refinance an existing home loan; or</li> <li>○ top up an existing loan for any worthwhile purpose</li> </ul> </li> <li>• are aged 18 years or more and meet the credit assessment criteria for the product</li> <li>• are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan</li> <li>• are seeking a credit facility with additional benefits</li> <li>• are seeking a credit facility with additional benefits</li> <li>• are seeking a discount on fixed interest rates</li> <li>• need progressive drawdowns</li> <li>• ability to make additional repayments capped at \$20,000</li> <li>• loans not exceeding 80% LVR</li> <li>• wanting bonus interest rate on term deposits</li> <li>• wanting 5% discount on house and contents insurance</li> </ul> <p><b>Term Deposit Package Benefit</b></p> <p>Retail clients who:</p> <ul style="list-style-type: none"> <li>• require a saving account with restrictions on withdrawals to help them save</li> <li>• need a low or no fee account even if that means fewer features</li> <li>• need an account offering higher returns even if that means restrictions on access to the funds</li> </ul>

- need the certainty of a fixed rate on their savings
- do not need the ability to withdraw funds at call prior to maturity of the deposit

***Home Owners Package -Fixed Rate Loan***

- need the certainty of a fixed interest rate and fixed repayments for a introductory period of one or two years

***Home Owners Package - Interest Only Loan***

- need an interest only period for tax planning reasons/so as to complete the construction of a home before commencing principal and interest reductions/whilst selling other property to enable repayment of the loan

***Home Owners Package Principal & Interest Reducing***

- need to make regular repayments of interest and principal over the term of the loan

***Home Owners Package Loan - Description of product, including key attributes***

This is a home owners package loan secured over real property. The key attributes are:

- loan amounts of between \$5,000 and \$3,000,000
- loan terms of up to 30 years
- interest only/principal and interest reducing
- interest rate variable/fixed/combinations
- additional discount of 0.25% pa above the home owners package discounted rate on 1 and 2 year fixed rates
- repayment frequency can be weekly/fortnightly/monthly
- the ability to make additional repayments capped at \$20,000
- unable to redraw advance payments during a fixed rate period
- progressive drawdowns
- must provide a registered first mortgage over real property or other acceptable security
- Loans must not exceed 90% LVR with no Lenders Mortgage Insurance
- 0.10% bonus interest rate above carded Term Deposit rates
- \$0 Establishment Fee, \$0 Annual Package Fee, external fees apply

***Home Owners Package Benefit - Term Deposit - Description of product, including key attributes***

This is a **Fixed Term Deposit** Account and the key features of this product are:

- 0.10% above the carded interest rate
- minimum deposit \$500
- minimum term 1 month
- no account keeping fee
- interest calculated daily and paid either monthly, quarterly, 6 monthly, annually or at maturity – interest reductions apply for more frequent interest

payments

- restrictions on withdrawals – withdrawals only at maturity, 2% interest reduction on funds withdrawn before date of maturity
- online banking access – balance only
- banking app access – balance only
- Statements issued 6 monthly with more frequent options available - \$2 paper statement fee

***Home Owners Package Benefit – Line of Credit - Description of product, including key attributes***

This is a Home Owners Package Line of Credit. The key attributes are:

- credit limits of between \$100,000 and \$3,000,000
- a variable interest rate charged monthly on a daily debit balance (and no interest on credit balances)
- facility can be drawn and repaid as required
- \$0 establishment fee, \$0 monthly service fee, solicitor fees, mortgage check/registration fee, valuation fee and variation fees apply
- additional discount of 0.25% pa above the standard Lifestyle Equity Line of Credit facility
- must provide a registered first mortgage over real property or other acceptable security
- must have borrowings of \$150,000 or more with LVR equal to or less than 80%
- LVR over 80% LMI with Lenders Mortgage Insurance
- have a payroll or direct salary credited to your transactional account
- monthly statements
- no set minimum monthly repayments
- Visa Card access
- internet banking
- WCU connect mobile banking app
- Personal cheques

***Description of likely objectives, financial situation and needs of consumers in the target market***

This product is designed for customers who:

- seek to purchase a residential property, access equity in a residential property or refinance an existing credit facility
- will have the financial capacity to pay fees, interest and depending on the product option, repayments of principal as and when such amounts become payable and due
- the property must be used for owner occupier purposes
- depending on the product option a fixed or variable rate
- are able to meet the standard credit assessment criteria
- are over 18 years of age

	<p><b>Description of likely objectives, financial situation and needs of consumers in the target market</b></p> <p>This product is designed for consumers who:</p> <ul style="list-style-type: none"> <li>owns residential property that is used predominantly for owner occupier purposes, that can be used to secure the credit facility;</li> <li>will have the financial capacity to funds to pay the fees, interest and repayments as and when such amounts become payable and due</li> </ul>
<p><b>Distribution Conditions</b></p>	<p><b>Distribution conditions</b></p> <p>This loan is distributed by the issuer through the following channels:</p> <ul style="list-style-type: none"> <li>branches</li> <li>call centre</li> <li>online</li> </ul> <p>Distribution conditions for this product include:</p> <ul style="list-style-type: none"> <li>ensuring that retail clients meet the eligibility requirements for the product</li> <li>ensuring that distribution through branches and call centres is by appropriately trained staff</li> </ul> <p>There are no other distributors for this product.</p>
<p><b>Review Triggers</b></p>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> <li>A significant dealing of the product to consumers outside the target market occurs</li> <li>A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate</li> <li>A material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate</li> </ul> <p>The <i>Product Governance Framework</i> includes regular consideration of whether there has been a review trigger following each distribution information report. That consideration is by reference to paragraphs 154 to 156 of RG 274.</p>
<p><b>Review Periods</b></p>	<p><b>First review date:</b> 1 December 2021</p> <p><b>Periodic reviews:</b> We will review this TMD after 3 months of release and then every year after the initial and each subsequent review</p>

<b>Distribution Information Reporting Requirements</b>	<p>The following information must be provided to Warwick Credit Union Ltd by distributors who engage in retail product distribution conduct in relation to this product:</p>		
	<b>Type of information</b>	<b>Description</b>	<b>Reporting period</b>
	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
Complaints	Number of complaints	Every 3 months	